N.Y.S.D. Case #
05-cv-8136(DC)

12-3200-cv
Authors Guild Inc., et al. v. Google Inc.

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

August Term, 2012

(Argued On: May 8, 2013 Decided: July 1, 2013)

Docket No. 12-3200-cv

THE AUTHORS GUILD, INC., Associational Plaintiff, BETTY MILES, JOSEPH GOULDEN, and JIM BOUTON, individually and on behalf of all others similarly situated,

Plaintiffs-Appellees,

v.

GOOGLE INC.,

Defendant-Appellant.

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Before: LEVAL, CABRANES, and B.D. PARKER, *Circuit Judges*.

We consider in this appeal whether the United States District Court for the Southern District of New York (Denny Chin, *Circuit Judge*, sitting by designation) erred in certifying the plaintiff class—authors claiming that defendant-appellant Google Inc. committed copyright infringement by copying and displaying "snippets" of millions of books in the Library Project of its Google Books search tool. On the particular facts of this case, we conclude that class certification was premature in the absence of a determination by the District Court of the merits of Google's "fair use" defense. Accordingly, we vacate the June 11, 2012 order certifying the class and remand

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the cause to the District Court, for consideration of the fair use issues, without prejudice to any future motion for class certification.

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Sanford P. Dumain, Milberg LLP, New York, NY, *for Appellees The Authors Guild Inc., et al.*

PER CURIAM:

Plaintiff-appellee The Authors Guild, an association of authors, as well several individual authors (jointly, "plaintiffs"), began this suit in 2005, alleging that defendant-appellant Google Inc. ("Google") committed copyright infringement through the Library Project of its "Google Books" search tool by scanning and indexing more than 20 million books and making available for public display "snippets" of most books upon a user's search.[1] Following a course of discovery and settlement discussions, the parties moved for final approval of an amended proposed class settlement agreement ("ASA") before the District Court. In a thorough opinion, Judge Chin refused

[1] Plaintiffs sought injunctive and declaratory relief as well as statutory damages. *See Authors Guild v. Google, Inc.*, 282 F.R.D. 384, 387 (S.D.N.Y. 2012).

to approve the ASA on March 22, 2011. *See Authors Guild Inc. v. Google Inc.*, 770 F. Supp. 2d 666, 686 (S.D.N.Y. 2011).

Following the District Court's denial of the motion to approve the ASA, plaintiffs moved to certify a proposed class of "[a]ll persons residing in the United States who hold a United States copyright interest in one or more Books reproduced by Google as part of its Library Project, who are either (a) natural persons who are authors of such Books or (b) natural persons, family trusts or sole proprietorships who are heirs, successors in interest or assigns of such authors." *Authors Guild v. Google, Inc.*, 282 F.R.D. 384, 393 (S.D.N.Y. 2012) (alteration in original).[2] The District Court granted plaintiffs' motion to certify the proposed class of authors pursuant to Federal Rule of Civil Procedure 23. *Id.* at 395.

Google opposed the motion for class certification before the District Court and now appeals the District Court's grant of class certification to us. Google argues, *inter alia*, that it intends to assert a "fair use" defense,[3] which might moot the litigation. Google also claims that plaintiffs are unable to "fairly and adequately protect the interests of the class," Fed. R. Civ. P. 23(a)(4), because many members of the class, perhaps even a majority, benefit from the Library Project and oppose

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[2] The motion for class certification also specified that a "book" was defined as each "full-length book published in the United States in the English language and registered with the United States Copyright Office within three months after its first publication. Google's directors, officers, and employees [were] excluded from the class, as well as United States Government and Court personnel." *Id.* at 393 n.7 (internal citations omitted).

[3] As we have explained, "[f]air use is a judicially created doctrine dating back nearly to the birth of copyright in the eighteenth century, but first explicitly recognized in statute in the Copyright Act of 1976." *On Davis v. The Gap, Inc.*, 246 F.3d 152, 173 (2d Cir. 2001) (internal citations omitted). Under that statute, to determine whether the use of a work is a fair use, courts consider four factors, including:

> (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
>
> (2) the nature of the copyrighted work;
>
> (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
>
> (4) the effect of the use upon the potential market for or value of the copyrighted work.

17 U.S.C. § 107.

plaintiffs' efforts. *See* Appellant's Br. 25 (arguing that class certification has "potentially tied many [authors] in the class to a suit that is contrary to their interests"); *see also* Joint App'x 244 (summarizing the findings of a controverted survey of authors).

Putting aside the merits of Google's claim that plaintiffs are not representative of the certified class—an argument which, in our view, may carry some force—we believe that the resolution of Google's fair use defense in the first instance will necessarily inform and perhaps moot our analysis of many class certification issues, including those regarding the commonality of plaintiffs' injuries, the typicality of their claims, and the predominance of common questions of law or fact, *see* Fed. R. Civ. P. 23(a)(2), (3), (b)(3). *See, e.g.*, *FPX, LLC v. Google, Inc.*, 276 F.R.D. 543, 551 (E.D. Tex. 2011) (denying plaintiffs' request for class certification "because of the fact-specific inquiries the court would have to evaluate to address [defendants'] affirmative defenses [including fair use of trademarks]"); *Vulcan Golf, LLC v. Google Inc.*, 254 F.R.D. 521, 531 (N.D. Ill. 2008) ("The existence of affirmative defenses [such as fair use of trademarks] which require individual resolution can be considered as part of the court's analysis to determine whether individual issues predominate under Rule 23(b)(3)."); *see also Coopers & Lybrand v. Livesay*, 437 U.S. 463, 469 n.12 (1978) ("Evaluation of many of the questions entering into determination of class action questions is intimately involved with the merits of the claims. The typicality of the representative's claims or defenses . . . and the presence of common questions of law or fact are obvious examples." (quotation marks omitted)); *Castano v. Am. Tobacco Co.*, 84 F.3d 734, 744 (5th Cir. 1996) ("[A] court must understand the claims, defenses, relevant facts, and applicable substantive law in order to make a meaningful determination of the certification issues."); *cf. Wal-Mart Stores, Inc. v. Dukes*, 131 S. Ct. 2541, 2561 (2011) (holding that "a class cannot be certified on the premise that [a defendant] will not be entitled to litigate its statutory defenses to individual claims"). Moreover, we are persuaded that holding the issue of class certification in abeyance until Google's fair use defense has been

resolved will not prejudice the interests of either party during the projected proceedings before the District Court following remand. Accordingly, we vacate the District Court's order of June 11, 2012 certifying plaintiffs' proposed class, and we remand the cause to the District Court, for consideration of the fair use issues.

CONCLUSION

For the reasons stated above, we **VACATE** the June 11, 2012 order of the District Court certifying plaintiffs' proposed class and **REMAND** the cause to the District Court for consideration of the fair use issues, without prejudice to any renewal of the motion for class certification before the District Court following its decision on the fair use defense. In the interest of judicial economy, any further appeal from the decisions of the District Court shall be assigned to this panel.

The mandate shall issue forthwith.

A True Copy
Catherine O'Hagan Wolfe, Clerk
United States Court of Appeals, Second Circuit